



City of Saginaw

City of Saginaw

Meeting Date: 9/18/2018

Staff Contact: Kim Quin
Finance Director

Agenda Item: 12
(CC-0918-21)

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SUBJECT: Public Hearing – Presentation of Revised Budget for Fiscal Year 2017-2018

BACKGROUND/DISCUSSION:

This is the public hearing required by law for public input on the proposed revised budget for the fiscal year 2017-2018.

FINANCIAL IMPACT:

N/A

RECOMMENDATION:

N/A

Attachments

Memo with Proposed Revised Budget from Kim Quin

MEMORANDUM

DATE: September 14, 2018
TO: Gabe Reaume, City Manager
FROM: Kim Quin, Finance Director
RE: 2017-2018 Year-end Budget Adjustments

The attached schedule shows the recommended year end budget adjustments. The changes are described below.

General Fund – Revenues - A decrease in court fines and fees is projected for the year based on the decrease in citations issued. The increased use of alternatives to cable television has resulted in a decline in cable franchise fees. Property tax collections are up due to increased collection of delinquent accounts and the increased revised valuation. The increases in building permits and construction inspection fees are due to the continued increased construction activity. Grant revenue is increased due to the Tarrant County 911 grant of \$8,000 for radio equipment and a LEOSE grant of \$2,833 for police training. Other miscellaneous revenue is up, auction proceeds are budgeted, and interest income is increased due to rising interest rates. **Expenses** – The County has not yet billed the City for the administration of the run-off election; the preliminary estimate is \$15,000. Legal and special services is increased due the cost of the interim City Manager and the City Manager search which are offset by the salary savings due to the vacancy. Legal services for the year has been higher than an average year. The budget is adjusted for the Municipal Facility Needs Assessment \$38,360 approved by the City Council on 7/7/2018. Bank charges are up due to credit card processing fees. The Fire Department budget is increased due to the increased participation in household hazardous waste drop off and the purchase of the grant funded radio equipment. The Police Department budget reflects the estimated cost of the new Public Safety Radio System \$652,800 approved by the City Council 7/17/2018. Overtime is up for the Parks department due to the special events throughout the year. Savings are anticipated for fuel (lower gasoline prices) and for contract repairs (more work done in house) in the Fleet Department. Line items are increased or redistributed for the enhanced Economic Development program that began this year.

Enterprise Fund – Volume of water purchased and wastewater treated is up resulting in increased revenue and expenditures. The Blue Ridge Trail 8” Sanitary Sewer project was completed this year. This project was carried over from last year.

Capital Projects Fund – Interest is being earned on unspent bond proceeds. The budget adjustments reflect the project delay.

Drainage Utility Fund – Revenues are increased based on current collections and higher interest earnings. There were no disposal expenses in the fiscal year. The temporary solution to the drainage issue at Knowles and Silverbrook (\$40,000) was completed in-house and for less than the original estimate.

Donations Fund – The budget is adjusted for the additions to the holiday display \$25,700 approved by the City Council on 4/17/2018.

General Escrow Fund – Property insurance claims and repairs were higher than average. A developer payment (\$240,125) for Boswell Marketplace is escrowed for Old Decatur Road.

**YEAR END BUDGET ADJUSTMENTS
FY 2017-2018**

<u>ACCOUNT DESCRIPTION</u>	<u>ACCT NUMBER</u>	<u>REVENUES</u>	<u>EXPENSES</u>	<u>COMMENTS</u>
General Fund				
Court Fines and Fees	01-3400-00	\$ (70,000.00)		Fewer citations issued in FY17/18
Property Tax Delinquent	01-3610-00	\$ 32,000.00		Higher than average delinquent collections
Property Tax Current	01-3620-00	\$ 135,080.00		Collections based on revised valuation
Franchise Fees - Cable	01-3683-00	\$ (50,000.00)		Trend in market for cable service
Building Permits	01-3703-00	\$ 116,000.00		Projected year end
Construction Inspection Fees	01-3705-00	\$ 36,615.00		Bar C Ranch
Grant Assistance	01-3800-00	\$ 10,830.00		\$8,000 TC 911 & \$2,833 LEOSE
Other Income	01-3910-00	\$ 19,000.00		Projected year end
Auction Proceeds	01-3915-00	\$ 14,200.00		Auction proceeds not budgeted
Interest Income	01-3950-00	\$ 55,000.00		Projected year end due to increasing rates
Election Expense	01-5000-02		\$ 15,000.00	Estimated cost for run-off election
Legal and Special Services	01-6650-02		\$ 90,000.00	\$40,000 interim CM, \$15,000 CM search, \$35,000 legal services
Legal and Special Services	01-6650-02		\$ 38,360.00	Municipal facilities needs assessment
Salaries	01-4010-02		\$ (42,000.00)	Salary savings vacancy
Social Security	01-4150-02		\$ (3,200.00)	Salary savings vacancy
TMRS Retirement	01-4160-02		\$ (7,400.00)	Salary savings vacancy
Insurance	01-4180-02		\$ (1,700.00)	Salary savings vacancy
Bank Charges	01-7200-02		\$ 21,000.00	Credit Card fees
Household Hazardous Waste	01-5765-04		\$ 4,500.00	Increased participation in hazardous waste drop off
Capital Outlay - Fire	01-7000-04		\$ 8,000.00	TC911 grant funded radios
Capital Outlay - Police	01-7000-05		\$ 652,800.00	Public Safety Radio System
Capital Outlay - Public Works	01-7000-06		\$ 370,000.00	Food Truck/Farmer's Market
Overtime - Parks	01-4015-07		\$ 7,200.00	Overtime for Special Events
Social Security Medicare - Parks	01-4150-07		\$ 550.00	Benefit related to overtime
TMRS Retirement - Parks	01-4160-07		\$ 1,270.00	Benefit related to overtime
Gasoline	01-4850-12		\$ (65,000.00)	Projected year end
Contract Repairs	01-4935-12		\$ (20,000.00)	Projected year end
Salaries - Econ Dev	01-4010-13		\$ 35,950.00	New Economic Development program
Social Security - Econ Dev	01-4150-13		\$ 2,750.00	New Economic Development program
TMRS Retirement - Econ Dev	01-4160-13		\$ 6,300.00	New Economic Development program
Insurance - Econ Dev	01-4180-13		\$ 55.00	New Economic Development program
Data Processing Expenses	01-4300-13		\$ 1,375.00	New Economic Development program
Office Supplies	01-4600-13		\$ (2,300.00)	Redistribute to various accounts
Misc. Expense	01-5232-13		\$ 405.00	New Economic Development program
Photo/Audio/Video Services	01-5245-13		\$ 6,450.00	New Economic Development program

**YEAR END BUDGET ADJUSTMENTS
FY 2017-2018**

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Contract Services	01-5250-13		\$ 700.00	New Economic Development program
Advertising	01-6010-13		\$ 500.00	New Economic Development program
Dues & Subscriptions	01-6100-13		\$ 300.00	New Economic Development program
Economic Dev Reimbursement	01-6140-13		\$ (7,815.00)	Projected year end
Travel and Training	01-6150-13		\$ 2,695.00	New Economic Development program
GENERAL FUND TOTALS		\$ 298,725.00	\$ 1,116,745.00	
USE OF FUND BALANCE		\$ 818,020.00		

<u>Enterprise Fund</u>				
Water Sales	05-3640-00	\$ 500,000.00		Projected year end
Wastewater Surcharge	05-3650-00	\$ 550,000.00		Increased volume
Water purchase-Ft Worth	05-6810-50		\$ 225,000.00	Increased volume
Wastewater Service-Ft Worth	05-6820-50		\$ 500,000.00	Increased volume
Blue Ridge Trail 8" Sewer	05-7019-55		\$ 145,000.00	Project delayed from FY16/17
ENTERPRISE FUND TOTALS		\$ 1,050,000.00	\$ 870,000.00	
INCREASE IN FUND BALANCE			\$ 180,000.00	

**YEAR END BUDGET ADJUSTMENTS
FY 2017-2018**

<u>ACCOUNT DESCRIPTION</u>	<u>ACCT NUMBER</u>	<u>REVENUES</u>	<u>EXPENSES</u>	<u>COMMENTS</u>
<u>Capital Projects Fund</u>				
Interest on Investments	06-3950-00	\$ 1,255.00		Interest on bond funds
Interest on Investments	06-3973-00	\$ 35,000.00		Interest on bond funds
Interest on Investments	06-3974-00	\$ 94,000.00		Interest on bond funds
BB Road - Tarrant County Reimb	06-3851-00	\$ (2,666,670.00)		Updated project timing
Bailey Boswell Rd - overpass	06-4052-15		\$ 29,530.00	Updated project timing
Bailey Boswell Rd - design	06-4053-15		\$ 7,620.00	Updated project timing
Bailey Boswell Rd - Phase 2	06-4048-15		\$ 1,466,910.00	Updated project timing
Bailey Boswell Rd - Phase 3	06-4049-15		\$ 1,466,915.00	Updated project timing
Bailey Boswell Rd - Phase 2	06-4048-17		\$ (1,466,910.00)	Updated project timing
Bailey Boswell Rd - Phase 3	06-4049-17		\$ (1,466,915.00)	Updated project timing
Bailey Boswell Rd - overpass	06-4052-17		\$ (6,035,000.00)	Updated project timing
CAPITAL PROJECTS FUND TOTALS		\$ (2,536,415.00)	\$ (5,997,850.00)	
INCREASE IN FUND BALANCE			\$ 3,461,435.00	
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<u>Drainage Fund</u>				
Drainage Utility Fees	14-3645-00	\$ 25,000.00		Projected year end
Interest	14-3950-00	\$ 11,000.00		Projected year end due to increasing rates
Disposal Costs	14-4630-00		\$ (10,000.00)	No disposal fees
Capital Outlay -Projects	14-7000-00		\$ 40,000.00	Drainage Project Knowles & Silverbrook
DRAINAGE FUND TOTAL		\$ 36,000.00	\$ 30,000.00	
INCREASE IN FUND BALANCE			\$ 6,000.00	
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FY 2017-2018**

<u>ACCOUNT DESCRIPTION</u>	<u>ACCT NUMBER</u>	<u>REVENUES</u>	<u>EXPENSES</u>	<u>COMMENTS</u>
<u>Donations Fund</u>				
Capital Outlay - Parks	20-7000-61		\$ 17,850.00	Additions to holiday light display
Capital Outlay - Beautification	20-7000-63		\$ 17,850.00	Additions to holiday light display
DONATION FUND TOTAL		\$ -	\$ 35,700.00	
USE OF FUND BALANCE		\$ 35,700.00		
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<u>General Escrow Fund</u>				
Insurance Claims	21-3904-43	\$ 47,000.00		Settlements from insurance coverage
Other Income	21-3910-49	\$ 240,125.00		ODR escrow
Maintenance and Repairs	21-4900-43		\$ 21,120.00	Repairs to damaged property
DONATION FUND TOTAL		\$ 287,125.00	\$ 21,120.00	
INCREASE IN FUND BALANCE			\$ 266,005.00	
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